

State of Arizona
House of Representatives
Forty-fifth Legislature
First Regular Session
2001

CHAPTER 297

HOUSE BILL 2037

AN ACT

AMENDING SECTIONS 15-907 AND 15-2002, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 16, ARTICLE 3, BY ADDING SECTION 15-2022; RELATING TO THE SCHOOL FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-907, Arizona Revised Statutes, is amended to
3 read:

4 15-907. Incurring liabilities in excess of school district
5 budget; petition; approval; procedure for
6 expenditures

7 A. ~~In the event of the destruction of or damage to the facilities of~~
8 ~~a school or excessive and unexpected legal expenses or FOR AN EMERGENCY FOR~~
9 ~~WHICH THE SCHOOL DISTRICT DID NOT RECEIVE FUNDING FROM THE SCHOOL FACILITIES~~
10 ~~BOARD PURSUANT TO SECTION 15-2022 BECAUSE THERE WERE INSUFFICIENT MONIES IN~~
11 ~~THE EMERGENCY DEFICIENCIES CORRECTION FUND to mitigate or remove a health or~~
12 ~~safety hazard at a school,~~ the governing board of the school district may
13 petition the county school superintendent, or in the case of an accommodation
14 school, the county school superintendent may petition the county board of
15 supervisors, requesting authority to incur liabilities in excess of the
16 school district budget, in an amount the governing board deems
17 necessary. The governing board of the school district shall follow the
18 procedures for the truth in taxation notice and hearing prescribed in section
19 15-905.01, subsection B.

20 B. The county school superintendent shall forward the petition
21 together with the superintendent's recommendation and a copy of the budget
22 of the school district to the board of supervisors.

23 C. The board of supervisors shall hold a hearing on the petition
24 within twenty days after receipt and shall determine whether the petition
25 shall be allowed, allowed after revision or denied.

26 D. If the petition is allowed in whole or in part, the governing board
27 shall be authorized to incur liabilities in accordance with the petition, and
28 a copy of the order of the board of supervisors authorizing the incurring of
29 such liabilities shall be filed with the county school superintendent. The
30 county school superintendent, upon presentation of proper vouchers, shall
31 draw warrants against the additional allowance. Any liability so incurred
32 shall be in addition to the aggregate budget estimate of the school district
33 for the succeeding year.

34 E. The portion of the primary tax rate to fund these liabilities in
35 excess of the school district budget as provided in this section shall not
36 be included in the computation of additional state aid for education
37 prescribed in section 15-972.

38 Sec. 2. Section 15-2002, Arizona Revised Statutes, is amended to read:

39 15-2002. Powers and duties; executive director; staffing;
40 report

41 A. The school facilities board shall:

42 1. Make assessments of school facilities and equipment deficiencies
43 pursuant to section 15-2021 and approve the distribution of grants as
44 appropriate.

1 2. Develop a data base for administering the building renewal formula
2 prescribed in section 15-2031 and administer the distribution of monies to
3 school districts for building renewal.

4 3. Inspect school buildings at least once every five years to ensure
5 compliance with the building adequacy standards prescribed in section 15-2011
6 with respect to construction of new buildings and maintenance of existing
7 buildings.

8 4. Review and approve student population projections submitted by
9 school districts to determine to what extent school districts are entitled
10 to monies to construct new facilities pursuant to section 15-2041. The board
11 shall make a final determination within six months of the receipt of an
12 application by a school district for monies from the new school facilities
13 fund.

14 5. Certify that plans for new school facilities meet the building
15 adequacy standards prescribed in section 15-2011.

16 6. Develop prototypical elementary and high school designs. The board
17 shall review the design differences between the schools with the highest
18 academic productivity scores and the schools with the lowest academic
19 productivity scores. The board shall also review the results of a valid and
20 reliable survey of parent quality rating in the highest performing schools
21 and the lowest performing schools in this state. The survey of parent
22 quality rating shall be administered by the department of education. The
23 board shall consider the design elements of the schools with the highest
24 academic productivity scores and parent quality ratings in the development
25 of elementary and high school designs. The board shall develop separate
26 school designs for elementary, middle and high schools with varying pupil
27 capacities.

28 7. Develop application forms, reporting forms and procedures to carry
29 out the requirements of this article.

30 8. Review and approve or reject requests submitted by school districts
31 to take actions pursuant to section 15-341, subsection F.

32 9. Submit an annual report by December 15 to the speaker of the house
33 of representatives, the president of the senate, the superintendent of public
34 instruction, the director of the Arizona state library, archives and public
35 records and the governor that includes the following information:

36 (a) A detailed description of the amount of monies distributed by the
37 school facilities board in the previous fiscal year.

38 (b) A list of each capital project that received monies from the
39 school facilities board during the previous fiscal year, a brief description
40 of each project that was funded and a summary of the board's reasons for the
41 distribution of monies for the project.

42 (c) A summary of the findings and conclusions of the building
43 maintenance inspections conducted pursuant to this article during the
44 previous fiscal year.

1 (d) A summary of the findings of common design elements and
2 characteristics of the highest performing schools and the lowest performing
3 schools based on academic productivity including the results of the parent
4 quality rating survey.

5 For the purposes of this paragraph, "academic productivity" means academic
6 year advancement per calendar year as measured with student-level data using
7 the statewide nationally standardized norm-referenced achievement test.

8 10. By December 1 of each even-numbered year, report to the joint
9 committee on capital review the estimated amounts necessary to fulfill the
10 requirements of sections 15-2021, 15-2022, 15-2031 and 15-2041 for the
11 following two fiscal years. By December 1 of each odd-numbered year, the
12 board shall provide to the joint committee on capital review an update of the
13 estimated amounts necessary to fulfill the requirements of sections 15-2021,
14 15-2022, 15-2031 and 15-2041 for the following fiscal year. No later than
15 January 1 of each year, the board shall instruct the state treasurer as to
16 the amounts under the transaction privilege tax to be credited in equal
17 quarterly installments for the following state fiscal year. The board shall
18 provide copies of both reports to the president of the senate, the speaker
19 of the house of representatives and the governor.

20 11. Adopt minimum school facility adequacy guidelines to provide the
21 minimum quality and quantity of school buildings and the facilities and
22 equipment necessary and appropriate to enable pupils to achieve the
23 educational goals of the Arizona state schools for the deaf and the blind.
24 The school facilities board shall establish minimum school facility adequacy
25 guidelines applicable to the Arizona state schools for the deaf and the blind
26 by December 31, 2000.

27 B. The school facilities board may contract for private services in
28 compliance with the procurement practices prescribed in title 41, chapter 23.

29 C. The governor shall appoint an executive director of the school
30 facilities board pursuant to section 38-211. The executive director is
31 eligible to receive compensation as determined pursuant to section 38-611 and
32 may hire and fire necessary staff as approved by the legislature in the
33 budget. The executive director shall have demonstrated competency in school
34 finance, facilities design or facilities management, either in private
35 business or government service. The executive director serves at the
36 pleasure of the governor. The staff of the school facilities board is exempt
37 from title 41, chapter 4, articles 5 and 6. The executive director:

38 1. Shall analyze applications for monies submitted to the board by
39 school districts.

40 2. Shall assist the board in developing forms and procedures for the
41 distribution and review of applications and the distribution of monies to
42 school districts.

43 3. May review or audit, or both, the expenditure of monies by a school
44 district for deficiencies corrections, building renewal and new school
45 facilities.

1 4. Shall assist the board in the preparation of the board's annual
2 report.

3 5. Shall research and provide reports on issues of general interest
4 to the board.

5 6. May aid school districts in the development of reasonable and
6 cost-effective school designs in order to avoid statewide duplicated efforts
7 and unwarranted expenditures in the area of school design.

8 7. May assist school districts in facilitating the development of
9 multijurisdictional facilities.

10 8. Shall assist the board in any other appropriate matter or method
11 as directed by the members of the board.

12 9. Shall establish procedures to ensure compliance with the notice and
13 hearing requirements prescribed in section 15-905.

14 10. May expedite any request for funds in which the local match was not
15 obtained for a project that received preliminary approval by the state board
16 for school capital facilities.

17 11. Shall expedite any request for funds in which the school district
18 governing board submits an application that shows an immediate need for a new
19 school facility.

20 12. Shall make a determination as to administrative completion within
21 one month after the receipt of an application by a school district for monies
22 from the new school facilities fund.

23 13. Shall provide technical support to school districts as requested
24 by school districts in connection with the construction of new school
25 facilities and the maintenance of existing school facilities.

26 D. When appropriate, the school facilities board shall review and use
27 the statewide school facilities inventory and needs assessment conducted by
28 the joint committee on capital review and issued in July, 1995.

29 E. The school facilities board shall contract with one or more private
30 building inspectors to complete an initial assessment of school facilities
31 and equipment provided in section 15-2021 and shall inspect each school
32 building in this state at least once every five years to ensure compliance
33 with section 15-2011. A copy of the inspection report, together with any
34 recommendations for building maintenance, shall be provided to the school
35 facilities board and the governing board of the school district.

36 F. The school facilities board may consider appropriate combinations
37 of facilities or uses in making assessments of and curing deficiencies
38 pursuant to subsection A, paragraph 1 of this section and in certifying plans
39 for new school facilities pursuant to subsection A, paragraph 5 of this
40 section.

41 G. The board shall not award any monies to fund new facilities that
42 are financed by class A bonds that are issued by the school district.

43 H. The board shall not distribute monies to a school district for
44 replacement or repair of facilities if the costs associated with the

1 replacement or repair are covered by insurance or a performance or payment
2 bond.

3 Sec. 3. Title 15, chapter 16, article 3, Arizona Revised Statutes, is
4 amended by adding section 15-2022, to read:

5 15-2022. Emergency deficiencies correction fund; definition

6 A. AN EMERGENCY DEFICIENCIES CORRECTION FUND IS ESTABLISHED CONSISTING
7 OF MONIES TRANSFERRED FROM THE DEFICIENCIES CORRECTION FUND ESTABLISHED BY
8 SECTION 15-2021 OR THE NEW SCHOOL FACILITIES FUND ESTABLISHED BY SECTION
9 15-2041. THE SCHOOL FACILITIES BOARD SHALL ADMINISTER THE FUND AND
10 DISTRIBUTE MONIES IN ACCORDANCE WITH THE RULES OF THE SCHOOL FACILITIES BOARD
11 TO SCHOOL DISTRICTS FOR EMERGENCY PURPOSES. THE SCHOOL FACILITIES BOARD
12 SHALL NOT TRANSFER MONIES FROM THE DEFICIENCIES CORRECTION FUND AND THE NEW
13 SCHOOL FACILITIES FUND IF THE TRANSFER WILL AFFECT, INTERFERE WITH, DISRUPT
14 OR REDUCE ANY CAPITAL PROJECTS THAT THE SCHOOL FACILITIES BOARD HAS APPROVED
15 PURSUANT TO SECTIONS 15-2021 AND 15-2041. THE SCHOOL FACILITIES BOARD SHALL
16 TRANSFER TO THE EMERGENCY DEFICIENCIES CORRECTION FUND THE AMOUNT NECESSARY
17 EACH FISCAL YEAR TO FULFILL THE REQUIREMENTS OF THIS SECTION. MONIES IN THE
18 FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF
19 SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

20 B. IF THE SCHOOL FACILITIES BOARD DETERMINES THAT THERE ARE
21 INSUFFICIENT MONIES IN THE EMERGENCY DEFICIENCIES CORRECTION FUND TO CORRECT
22 AN EMERGENCY, THE SCHOOL DISTRICT MAY CORRECT THE EMERGENCY PURSUANT TO
23 SECTION 15-907.

24 C. IF A SCHOOL DISTRICT HAS AN EMERGENCY, THE SCHOOL DISTRICT SHALL
25 APPLY TO THE SCHOOL FACILITIES BOARD FOR FUNDING FOR THE EMERGENCY. THE
26 SCHOOL DISTRICT'S APPLICATION SHALL DISCLOSE ANY INSURANCE OR BUILDING
27 RENEWAL MONIES AVAILABLE TO THE SCHOOL DISTRICT TO PAY FOR THE EMERGENCY.

28 D. THE SCHOOL FACILITIES BOARD STAFF SHALL NOTIFY THE SCHOOL DISTRICT
29 OF THE STAFF'S RECOMMENDATION WITHIN FIVE BUSINESS DAYS OF RECEIVING THE
30 APPLICATION. THE SCHOOL FACILITIES BOARD SHALL DECIDE ON THE STAFF'S
31 RECOMMENDATION FOR FUNDING AT THE NEXT SCHEDULED SCHOOL FACILITIES BOARD
32 MEETING.

33 E. FOR THE PURPOSES OF THIS SECTION, "EMERGENCY" MEANS A SERIOUS NEED
34 FOR MATERIALS, SERVICES OR CONSTRUCTION OR EXPENSES IN EXCESS OF THE
35 DISTRICT'S ADOPTED BUDGET FOR THE CURRENT FISCAL YEAR AND THAT SERIOUSLY
36 THREATEN THE FUNCTIONING OF THE SCHOOL DISTRICT, THE PRESERVATION OR
37 PROTECTION OF PROPERTY OR PUBLIC HEALTH, WELFARE OR SAFETY.

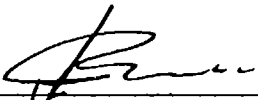
APPROVED BY THE GOVERNOR MAY 1, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2001.

Passed the House February 19, 20 01,

by the following vote: 34 Ayes,

24 Nays, 2 Not Voting



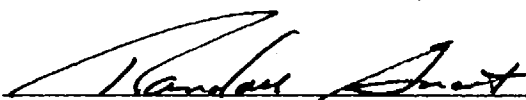
Speaker of the House


Chief Clerk of the House

Passed the Senate April 24, 20 01,

by the following vote: 27 Ayes,

0 Nays, 2 Not Voting



President of the Senate


Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

H.B. 2037

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this day of , 20 ,

at o'clock M.

Secretary of State

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 26, 2001,

by the following vote: 54 Ayes,

0 Nays, 6 Not Voting

[Signature]
Speaker of the House
Norman L. Moore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

27 day of April, 2001,

at 9:30 o'clock A M.

[Signature]
Secretary to the Governor

Approved this first day of

May, 2001,

at 10:01 o'clock 4 M.

[Signature]
Governor of Arizona

H.B. 2037

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 1 day of May, 2001,

at 4:45 o'clock P M.

[Signature]
Secretary of State